Upon the whole it would seem that the holding of the majority of the court in the principal case is best suited to attain the ends of justice and to bring about the results which the bankruptcy statutes were designed to produce, as well as being supported by the weight of authority. J. F. B.

RIGHT OF THE LEGISLATURE TO AMEND CORPORATE CHARTERS UNDER THE RESERVED POWER.—Acting along the line suggested by Mr. Justice STORY in his concurring opinion in the case of *Trustees of Dartmouth College* v. *Woodward,* 4 Wheat. 518, 4 L.Ed. 629, that if a state wished to alter a charter it must reserve the right to do so, nearly every state has inserted a clause in its constitution, providing that the charters of corporations subsequently granted shall be subject to alteration, suspension and repeal. A question involving one phase of this right has been recently determined in the case of *Lord* v. *Equitable Life Assurance Society of United States* (1909), — N. Y. —, 87 N. E. 443.

The directors of defendant corporation sought to so amend its charter as to give the policy holders the right to vote for a majority of the directors and to limit stockholders to a right to vote for a minority only, under the authority of Laws 1906, p. 771, c. 326, § 13, providing in substance, that any stock life insurance company may by the vote of a majority of the directors, when authorized by the stockholders holding a majority of the capital stock, confer upon its policy-holders the right to vote for all or any less number of the directors. Plaintiff who was a stockholder in defendant corporation brought action to restrain the directors from making said amendment. The court held that the Legislature had the right to pass the act of 1906, under the reserved power in the N. Y. constitution, and that the amendment was valid except as to the limitation of the stockholders to the right to vote for the minority of the directors only.

The court was undoubtedly right as to the primary question, regarding the validity of the act of 1906. A power reserved to a Legislature to alter, amend, or repeal a charter authorizes it to make any alteration or amendment of a charter granted subject to it, which will not defeat or substantially impair the object of the grant, or any rights vested under it, and which the Legislature may deem necessary to secure either that object or any public right. *Sinking Fund Cases,* 99 U. S. 700, sub. nom. *Union P. R. Co.* v. *U. S.,* 25 L.Ed. 496; *Hamilton Gaslight & Coke Co.* v. *Hamilton,* 146 U. S. 258, 36 L.Ed. 963, 13 Sup. Ct. 90; *Greenwood* v. *Union Freight R. Co.,* 105 U. S. 13, 26 L.Ed. 961; *South Bay Meadow Dam Co.* v. *Gray,* 30 Me. 547; *Shields* v. *Ohio,* 95 U. S. 319, 24 L. Ed. 357; *Inland Fisheries Com'rs.* v. *Holyoke Water Power Co.,* 104 Mass. 446, 6 Am. Rep. 247; *Iron City Bank* v. *Pittsburgh,* 37 Pa. 340; *Wilmington City Ry. Co.* v. *Wilmington & B. S. Ry. Co.,* 8 Del. Ch. 468, 46 Atl. 12; *Harper* v. *Ampt,* 32 Ohio St. 291; *Gregg* v. *G. M. & S. Co.,* 164 Mo. 616, 65 S. W. 312.

The legislature has the power to amend the charter, either directly, or by authorizing the corporation itself to make the change. *Pratt Institute* v. *City of New York,* 183 N. Y. 151, 75 N. E. 1119; *People ex rel. Cooper Union*

v. *Gass,* 190 N. Y. 323, 83 N. E. 64; *People ex rel. Roosevelt Hospital* v. *Raymond,* — N. Y. —, 87 N. E. 90; *Citizen's Savings Bank* v. *Owensboro,* 173 U. S. 636.

A stockholder is as much bound by a constitutional provision as though it was contained in the articles of incorporation. *Parker* v. *Metropolitan R. R. Co.,* 109 Mass. 506; *Market St. R. Co.* v. *Hellman,* 109 Cal. 571, 42 Pac. 225; *Greenwood* v. *Union Freight R. Co.* and *Hamilton Gaslight & Coke Co.* v. *Hamilton,* (supra).

Under ordinary circumstances the Legislature cannot deprive the stockholder of the right to vote or materially alter the effect of his vote, as the right to vote is a right of property involved in the ownership of the stock. *Stokes* v. *Continental Trust Co.,* 186 N. Y. 285, 78 N. E. 1090, 12 L. R. A. (N. S.) 969. Also see *Talbot J. Taylor & Co.* v. *Southern Pac. Co.,* 122 Fed. 147; *Lucas* v. *Milliken,* 139 Fed. 816; *Blinn* v. *Gillett,* 208 Ill. 473, 70 N. E. 704, 100 Am. St. Rep. 234. In the principal case, however, the original charter authorized the directors by a vote of three-fourths of their number, to enfranchise policy-holders holding not less than $5,000.00 of insurance, so that the change brought about under the act of 1906 is rather of detail than of substance and, though no authority directly in point can be cited, is clearly within the tendency of authorities. In the case of *Maynard* v. *Looker,* 111 Mich. 498, 69 N. W. 929, 56 L. R. A. 947, affirmed 179 U. S. 46, 21 Sup. Ct. 21, 45 L. Ed. 79, the facts were somewhat similar and therein an act, providing for the cumulative voting system in the election of directors, in place of the system whereby each stockholder had a right to one vote for each share of his stock, was held valid. Similarly *Miller* v. *State,* 15 Wall. 478, 21 L. Ed. 98; *Grobe* v. *Erie Co. Mut. Ins. Co.,* 169 N. Y. 613, 62 N. E. 1096; *Hinckley* v. *Schwarszchild & S. Co.,* 86 N. E. 1125; *Wright* v. *Minn. Mut. Life Ins. Co.,* 193 U. S. 657, 24 Sup. Ct. 549, 48 L. Ed. 832; *Polk* v. *Mutual Reserve Fund Life Assoc. of N. Y.,* 207 U. S. 310, 28 Sup. Ct. 65, 52 L. Ed. 222; *Berea College* v. *Commonwealth of Kentucky,* 211 U. S. 45, 29 Sup. Ct. 33.

The final question in the principal case was as to the power to disfranchise the stockholders as to the majority of the directors, and the act of 1906 is itself a sufficient authority for denying the power. The act provides for the enfranchisement of the policy holders but it does not authorize the disfranchisement of the stockholders, hence what was done in that respect was not valid. The consideration that the stockholders would seemingly be in a better position voting for a minority than for all does not affect the case since the mere offering of a better for a poorer condition does not carry with it the necessary acceptance of the person to whom the better position is offered, if he does not want it. The directors had the power to limit the policy holders, but not the stockholders, as the statute does not authorize it.

D. B. S.

CAN A PURCHASER FROM A TENANT ACQUIRE TITLE BY ADVERSE POSSESSION?—In a recent decision the Supreme Court of Wisconsin holds that where a tenant in possession assumes to sell the property of his landlord and thereupon quietly and in accordance with his contract of sale surrenders the pos-